

Fiscal Services Division Legislative Services Agency Fiscal Note

HF 2409 – Uniform Securities Act (LSB 5212 HV)

Analyst: Ron Robinson (Phone: (515) 281-6256) (ron.robinson@legis.state.ia.us)

Fiscal Note Version - New

Description

House File 2409 provides for the regulation of securities and providing penalties.

Section 47 of the Bill adds Section 502.508 and makes a willful violation of the Uniform Securities Act punishable as a Class “D” Felony or a Class “C” Felony if the loss involves more than \$10,000.

Assumptions

1. The addition of Section 502.508, Code of Iowa, clarifies current law.
2. The Iowa Justice Data Warehouse indicates that there were no convictions in FY 2003 and two convictions in FY 2002 for current violations of the Uniform Securities Act.
3. Charge, conviction, and sentencing patterns and trends will not change over the projection period.
4. Prisoner length of stay, revocation rates, and other corrections’ practices and policies will not change over the projection period.
5. The law will become effective January 1, 2005. A lag of six months is assumed, from the effective date of the change in the law to the date of first entry of affected offenders into the correctional system.
6. The analysis is based on information obtained from the Justice Data Warehouse, which includes statewide court and Community-Based Corrections (CBC) information. Conviction and penalty information is based on FY 2003 data.
7. The addition of Section 502.508, Code of Iowa, will lead to no additional convictions under HF 2409.
8. There is no readily available data with which to predict the number of violations involving the Uniform Securities Act that will be issued under HF 2409.

Correctional Impact

House File 2409 will have no significant correctional impact.

Fiscal Impact

The fiscal impact of HF 2409 cannot be determined due to insufficient information; however, the impact is not expected to be significant.

To the extent that additional violations are prosecuted due to a violation of the Uniform Securities Act, the following are average State costs associated with imposing criminal penalties for one conviction:

- Class D Felony: Minimum is \$1,700 (court costs and probation). Maximum for person crimes is \$12,000 and \$8,100 for crimes not against a person (court costs with a jury, indigent defense, prison, and parole).

- Class C Felony: Minimum is \$3,000 (court costs, probation, and indigent defense). Maximum for person crimes is \$23,000 and \$11,000 for crimes not against a person (court costs with a jury, prison, parole, and indigent defense).

Sources

Department of Commerce, Insurance Division

Office of the Attorney General

Department of Human Rights, Criminal and Juvenile Justice Planning Division

Dennis C Prouty

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
